



# Public Service Commission of Wisconsin

Ellen Nowak, Chairperson  
Mike Huebsch, Commissioner  
Lon Roberts, Commissioner

610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

Public Service Commission of Wisconsin  
RECEIVED: 03/14/2017 4:27:03 PM

March 14, 2017

The Honorable Jon Erpenbach  
The State Senate  
State Capitol, Room 7 South  
Madison, WI 53702

The Honorable David Considine  
The State Assembly  
State Capitol, Room 303 West  
Madison, WI 53707-7882

Re: Pre-Application of American Transmission Company LLC and ITC Midwest LLC, as Electric Public Utilities, for Authority to Construct and Operate a New 345 kV Transmission Line from the proposed Hickory Creek Substation in Dubuque County, Iowa, to the Cardinal Substation in Dane County, Wisconsin 5-CE-146

Dear Senator Erpenbach and Representative Considine:

I am responding to your joint letter of January 25, 2017, to the Public Service Commission of Wisconsin (Commission) regarding the anticipated application of American Transmission Company LLC (ATC) and other co-owners (together, applicants) for the Cardinal-Hickory Creek project. As noted in your letter, the applicants are in the early stages of preparing an application for the project. It is my understanding that the applicants are currently conducting siting and need studies, identifying potential routes and associated impacts, and seeking input from the public regarding the development of the project. The applicants intend to file an application for this project in 2018.

Your letter requests that the Commission conduct a comprehensive cost/benefit analysis of non-transmission alternatives for all future high-voltage transmission lines, including the proposed Cardinal-Hickory Creek project. Specifically, you request that the Commission consider energy efficiency, load management, and local renewable resources, including community solar, as project alternatives. While it is premature to comment on that specific project, I can assure you that consideration of project alternatives and costs is an important aspect of the Commission's analysis of any proposed project under Wis. Stat. §§ 196.49 or 196.491. In general, the Commission requires applicants to demonstrate that there is a need for the proposed project and that the project is a reasonable approach to meeting that need. In its review of project need, the Commission considers numerous factors, including local, state, and regional load growth, transmission reliability, and economic factors, such as access to lower cost energy. The Commission also considers state policy objectives, such as the Energy Priorities Law under Wis. Stat. § 1.12, when evaluating project need.

For example, there is included in Chapter 3 of the Commission's Environmental Impact Statement (EIS) for the Badger-Coulee project (docket 5-CE-142) a comprehensive discussion of the applicants' analysis of need and alternatives for that project. ([PSC REF#: 223845](#), pages 39

through 81.) Specifically, non-transmission alternatives that were considered, including a no-build alternative, are discussed beginning on page 74. In addition, to the extent energy efficiency, load management, and solar renewable resources are integrated into the applicants' analysis, the economic benefits associated with those alternatives are reflected in the economic evaluation of alternatives section beginning on page 78.

As you reference in your letter, Commission staff has prepared a 35-page document titled "*Application Filing Requirements for Electric Transmission Lines*" to assist applicants in developing complete applications for projects. The filing requirements supplement the specific requirements found in the Wisconsin statutes and Wisconsin Administrative Code. These filing requirements also help to coordinate the review process between the Commission and the Wisconsin Department of Natural Resources. The filing requirements are not intended to limit the ability of the Commission to consider other information when reviewing a project. The Commission can, and frequently does, require applicants to conduct additional analysis or modeling based on assumptions or situations that differ from those presented by the applicants in their initial applications.

As you are aware, projects such as the proposed Cardinal-Hickory Creek project are handled as contested case proceedings under Wis. Stat. ch. 227. In addition to opportunities for public participation, this contested case process provides an opportunity for individuals and organizations to participate in the docket as intervenors. Intervenors may conduct discovery and develop expert testimony to supplement the record before the Commission. While Commission staff makes every attempt to ensure that the record is complete, staff resources are limited and it is beneficial to have intervenors participate in the process to make sure that all relevant information is considered. In many cases, intervenors are eligible for intervenor compensation under Wis. Stat. § 196.31 to help offset the costs of participating in a case.

Finally, as part of its review process, the Commission must determine whether a project requires an EIS under Wis. Stat. § 1.11(2) and Wis. Admin. Code § PSC 4.30. If required, an EIS discusses all of the aspects of the project, including the assumptions presented in the application and an analysis of the project alternatives, including non-transmission alternatives. Members of the public have the opportunity to comment on the EIS, as well as testify at hearings held in the project area regarding need, alternatives, and all other aspects of the project.

I appreciate your thoughts and concerns regarding this matter. I believe that the Commission's extensive review and hearing process allow for a thorough vetting of transmission projects, including an opportunity to address the concerns you have raised. If and when an application is

The Honorable Jon Erpenbach  
The Honorable David Considine  
Docket 5-CE-146  
Page 3

filed, I would encourage your constituents to participate fully in the process. If you have other questions on this matter, please do not hesitate to contact me by telephone at (608) 267-9813 or via e-mail at [Jeffrey.Ripp@wisconsin.gov](mailto:Jeffrey.Ripp@wisconsin.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Jeffrey Ripp', with a stylized flourish at the end.

Jeffrey J. Ripp  
Administrator  
Division of Energy Regulation

JJR:JAL:jlt:DL: 01496347

cc: Elise Nelson, PSC

Attachment



# WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

RECEIVED

JAN 30 2017

January 25, 2017

PUBLIC SERVICE COMMISSION MEMBERS

Ellen Nowak, Chair

Phil Montgomery

Mike Huebsch

PO Box 7854

Madison WI 53707-7854

Commissioners' Office

Dear Commissioners:

We join several units of government and residents in the 27<sup>th</sup> Senate District in asking the agency to ensure that comprehensive cost/benefit analysis of non-transmission alternatives be conducted in the PSC review process for all proposed high voltage transmission lines going forward including Cardinal Hickory Creek (docket 5-CE-146).

We have been observing the rapid expansion of high-voltage transmission [HVT] facilities throughout Wisconsin over the last ten years and their impacts on rates and very substantial fixed fee increases. There is rising concerns among electric customers that the agency has not been giving equal, detailed attention to the long-term benefits of non-transmission alternatives.

Wisconsin electric customers deserve to see the benefits they would receive if the same millions required to build, finance, operate and maintain a new transmission line were invested instead into conservation education, energy efficiency, load management and the development of local renewable energy. Meeting the considerable, long term debt requirements of capital utility spending is undercutting the competitiveness of Wisconsin businesses and counteracting community efforts to create local jobs realizing end user improvements to homes, farms and businesses.

For these reasons, we join other legislators in urging your agency to significantly improve the analysis of non-transmission alternatives in the course of HVT review process with measures described below. The agency has two or more years to accommodate these improvements should the transmission builders choose to bring the application forward for Cardinal Hickory Creek.

- 1) Enhance the "discussion" of non-transmission alternatives in Section 2.5 of the PSC's *HVT Application Filing Requirements* by requiring applicants to provide detailed, quantified presentations of the economic and environmental benefits residential customers would receive if the total cost over 40 years required to build, finance, operate and maintain the HVT transmission option were invested, instead, in conservation, energy efficiency and load management. The analysis should include head to head comparison of benefits in terms that ratepayers can understand of the non-transmission, transmission-only and no build options.
- 2) Specify that the "discussion" of non-transmission alternatives in Section 2.6.1 of the *HVT Application Filing Requirements* include detailed, quantified estimations of costs and economic and environmental benefits associated with eliminating the need for the applicant's low voltage transmission reliability projects by alternatively targeting optimized combinations of energy efficiency, load management and local renewable

energy installations including community solar. These alternatives should emphasize individual and community funding returning benefits to these parties while avoiding the creation of long-term, utility capital debt. The analysis of alternatives must include clear, head to head comparison of benefits with the transmission options in presentations that electric customers and decision makers can easily understand.

- 3) During the review process and in conducting PSC staff research for the required, Environmental Impact Statement, adhere to §1.11(2)(e) to “study, develop, and describe” least impactful^^ alternatives and “recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of available resources.” PSC staff should be required to independently examine and compare non-transmission alternatives as required of the applicants in Sections 2.5 and 2.6.1 of the HVT Application Filing Requirements with added incentive to find and recommend viable alternatives.
- 4) To ensure that the PSC’s HVT review process produces a confirmable assessment of non-transmission alternatives, the agency needs to complement the above measures with an impartial, third party cost-benefit analysis adhering to the criteria defined above.

We ask that you respond to these requests that we have made so that we may share the information with our constituents. Additionally, please submit and record this letter to docket #05-CE-146 and record verbatim in the appendix of the EIS should the application proceed to that stage.

We appreciate your attention to this request and please contact us with questions and concerns.

Sincerely,



JON ERPENBACH  
State Senator  
27<sup>th</sup> District



DAVID CONSIDINE  
State Representative  
81<sup>st</sup> District

JE/DC.tk

References:

^^Administrative Code, ENVIRONMENTAL ANALYSIS AND REVIEW PROCEDURES, Chapter NR 150 NR 150.30(2)(e) The EIS is to include, “alternatives to the proposed project, particularly those that might avoid all or some of the adverse environmental effects of the project,”

letters from 12 legislators for Badger-Coulee

<https://www.dropbox.com/s/z1lwzl9ecisv7sb/2013-14%20Legislator%20Letters%20to%20PSC%20Requesting%20Cost-Benefit%20Analysis.webloc?dl=0>

Sections 2.5 and 2.6 of the PSC’s *HVT Application Filing Requirements*

<https://www.dropbox.com/s/rjo1rqmou8e91z/PSC%20Required%20Non-Transmission%20Alternatives%20Analysis%20by%20WI%20PSC%20.doc?dl=0>

Non-Transmission Alternative Requirement sections from Environmental Impacts Statements.

[https://www.dropbox.com/s/v3oyjpc9humh2t9/EIS\\_NTA\\_REQUIREMENTS.odt?dl=0](https://www.dropbox.com/s/v3oyjpc9humh2t9/EIS_NTA_REQUIREMENTS.odt?dl=0)